

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: POCAHONTAS GAS PARTNERSHIP)
a Virginia General Partnership)
RELIEF SOUGHT: POOLING OF INTERESTS IN DRILLING) VIRGINIA GAS AND
UNIT V-38 LOCATED IN THE OAKWOOD) OIL BOARD
COALBED METHANE GAS FIELD I AND)
DEPICTED IN EXHIBIT A HERETO) DOCKET NO.
(herein "Subject Drilling Unit") PURSUANT) VGOB 97-0617-0588
TO VA. CODE § 45.1-361.22 FOR THE)
PRODUCTION OF OCCLUDED NATURAL)
GAS FROM COALBEDS AND ROCK STRATA)
ASSOCIATED THEREWITH (herein)
collectively referred to as)
"Coalbed Methane Gas" or "Gas"))
LEGAL DESCRIPTION:)
DRILLING UNIT V-38 IN THE OAKWOOD)
COALBED GAS FIELD I,)
COAL MOUNTAIN TRACT,)
KEEN MOUNTAIN QUADRANGLE,)
GARDEN DISTRICT,)
BUCHANAN COUNTY, VIRGINIA)
(the "Subject Lands" are more particularly)
depicted in Exhibit A attached hereto and made)
a part hereof))

REPORT OF THE BOARD

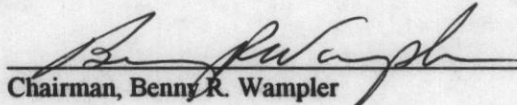
ORDER OF DISMISSAL

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on August 19, 1997, Dickenson Conference Center, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2. Appearances: Mark A. Swartz of the firm Kay, Casto, Chaney, Love & Wise, appeared for the Applicant; Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.
3. Jurisdiction: Pursuant to Va. Code § 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter.
4. Relief Requested: Pocahontas Gas Partnership's application in this matter sought to have the Board: (1) pool the rights, interests and claims of the Gas Owners or Claimants in Subject Drilling Unit for the drilling and operation, including production thereof, from the pool defined as all coal seams below the Tiller seam, including Upper Seaboard, Greasy Creek, Middle Seaboard, War Creek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2, and various unnamed coal seams, coalbeds and rock strata associated therewith ("Subject Formations") underlying and comprised of the lands depicted in Exhibit A hereto ("Subject Lands") pursuant to the Oakwood Coalbed Methane Gas Field I Rules heretofore established by the Board in Docket No. OGCB 3-90, as

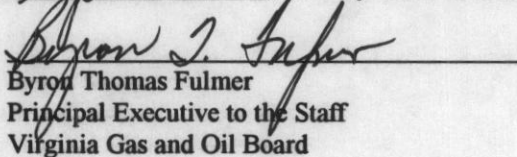
amended; and (2) name the Applicant as the Operator of Subject Drilling Unit. At the hearing of this matter on August 19, 1997, Applicant advised the Board that it had reached voluntary agreements with all parties in interest and asked that the Applicant be permitted to withdraw its Application for the compulsory pooling of Subject Drilling Unit.

5. Relief Granted: Based upon Applicant's representation that it has reached voluntary agreements with all parties in interest, and there being no objections, the Board finds that the Application filed herein for the compulsory pooling of Subject Drilling Unit is moot, and therefore, grants without prejudice Applicant's Motion to Withdraw same.

DONE AND EXECUTED this 22nd day of September, 1997 by the Chairman in behalf of the Virginia Gas and Oil Board.

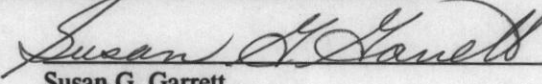

Chairman, Benny R. Wampler

DONE AND PERFORMED this 22nd day of September, 1997 by Order of the Board.


Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA)
COUNTY OF WISE)

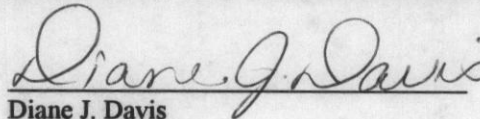
Acknowledged on this 22nd day of September, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/98

COMMONWEALTH OF VIRGINIA)
COUNTY OF WASHINGTON)

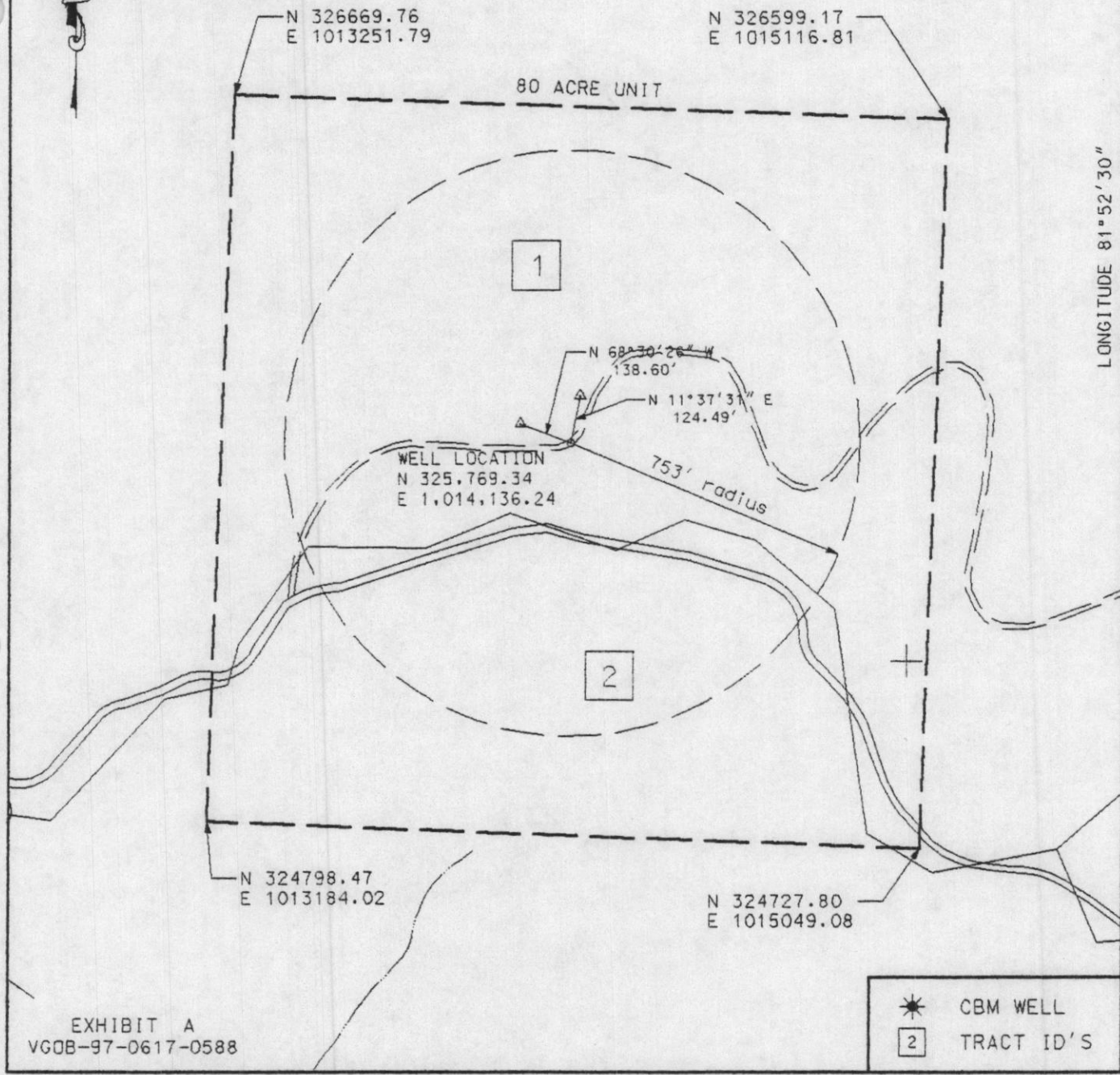
Acknowledged on this 22nd day of September, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires 9/30/91 2001

2810'
LATITUDE 37°12'30"

LONGITUDE 81°52'30"
10430'



WELL LOCATION PLAT

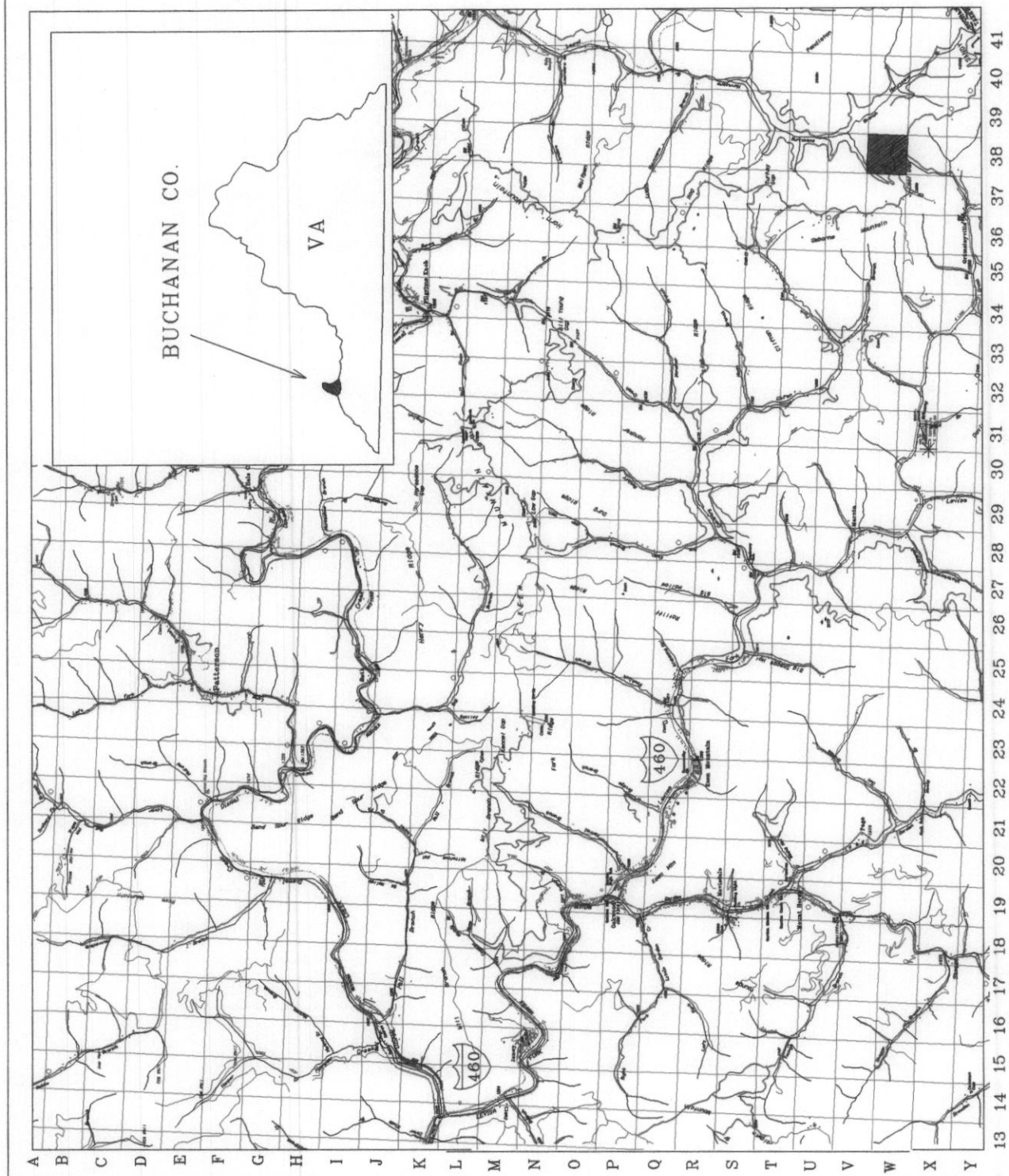
Company Pocahontas Gas Partnership Well Name and Number CBM-PGP-V38
Tract No. Coal Mountain Elevation 2424.61' Quadrangle Keen Mountain
County Buchanan District Garden Scale: 1" = 400' Date 4/28/97
This plat is a new plat X ; an updated plat _____ ; or a final plat _____

+ Denotes the location of a well on United States Topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Form DGO-GO-7
Rev. 9/91

Claude D. Meyer
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

EXHIBIT A1
VGOB-97-0617-0588